HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Transport, Infrastructure and Communities

TRAN • NUMBER 108 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, September 20, 2018

Chair

The Honourable Judy A. Sgro

Standing Committee on Transport, Infrastructure and Communities

Thursday, September 20, 2018

● (0845)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I'm calling to order the meeting of the Standing Committee on Transport, Infrastructure and Communities. This is our first session of the 42nd Parliament. Pursuant to Standing Order 108(2), we are continuing our study of the Canadian transportation and logistics strategy.

For the first hour this morning, from the Department of Transport, we have Christian Dea, chief economist and director general of transportation and economic analysis; Sandra LaFortune, director general of international relations and trade policy; Martin McKay, director of transportation infrastructure programs in the west; and David McNabb, director general of surface transportation policy.

Thank you so very much for joining us first thing this morning.

Good morning to all of our members. We have Chris Bittle filling in this morning. Welcome. Of course, there's David Graham, who likes to watch what transportation does all the time. Welcome to all of the members.

Who would like to go first?

Ms. Sandra LaFortune (Director General, International Relations and Trade Policy, Department of Transport): Thank you very much, Madam Chair and members, for inviting Transport Canada to appear before you today as you move forward on your study on the establishment of a Canadian transportation and logistics strategy. This is a broad subject, and we hope the background information we have provided helps to show how Transport Canada's work aligns with and can contribute to your study. It is clear from your committee's work over the last few years that some of the subject matter will not be new to you.

My name is Sandra LaFortune. I am the director general of the international relations and trade policy branch at Transport Canada.

Before we begin, I will ask my colleagues to introduce themselves and outline briefly their own areas of responsibility within Transport Canada.

Mr. David McNabb (Director General, Surface Transportation Policy, Department of Transport): Good morning, everyone. My name is David McNabb. I am the director general for surface transportation policy, and I am responsible for policy development in the freight and passenger rail area, as well as highways, borders and motor carriers.

Mr. Christian Dea (Director General, Transportation and Economic Analysis, Chief Economist, Department of Transport): Good morning. My name is Christian Dea. I am the director general of transportation and economic analysis, and my responsibility is to monitor the performance of the system.

Mr. Martin McKay (Director, Transportation Infrastructure Programs (West), Department of Transport): My name is Martin McKay. I am the director of the transportation infrastructure programs group, with the fundamental responsibility of delivery of the national trade corridors fund.

Ms. Sandra LaFortune: I'll begin by making a few opening remarks. In the time remaining, we all would be pleased to answer any questions you may have. I should note as well that we have provided four background documents, as per your request, to support your study.

Minister Garneau's transportation 2030 vision is a good starting point for our discussion. With transportation 2030, the minister is delivering on his commitment to create a safe, secure, green, innovative and integrated transportation system that supports trade and economic growth, a cleaner environment and the well-being of Canadians and their families. Transportation 2030 sets out the government's strategic plan for the future of transportation in Canada and is a reflection of what we heard directly from Canadians during extensive cross-Canada consultations.

In moving forward with this strategic plan, we are seeking to identify opportunities to enhance the traveller experience; remain vigilant to our fundamental responsibility to ensure a safe and secure transportation system; use innovative technologies to reduce the system's environmental impacts and build the transportation system of the future; protect our waterways, coasts and northern areas and build our reputation as a world-leading maritime and Arctic nation; and ensure that the transportation system enables Canada's trade and economic objectives. You'll note in the background information circulated that these goals align with the five core themes of transportation 2030.

The government is taking action on a number of fronts to help bring the transportation 2030 vision to fruition. For example, in May 2018, the Transportation Modernization Act—formerly Bill C-49—was approved by Parliament, and the implementation of initiatives like the oceans protection plan and the port modernization review continues. Together, these and related initiatives aim to address the needs for the future of transportation in Canada. In the context of our appearance before you today, we know that these needs include cost-effective, reliable and timely transportation access to global markets so as to enhance our trade competitiveness and ultimately grow Canada's economy.

Making strategic and cost-shared investments in trade-related transportation infrastructure has been central in our efforts to achieve this goal over the last 10 years. A key distinction of Canada's approach, which has since been emulated by other countries, is that it is multimodal and based on systems rather than on the performance or capacity of individual modes of transportation separately.

This approach mirrors the way in which businesses approach the physical movement of imports and exports from their starting points to their ultimate destinations. It also recognizes that changes or improvements at one point within our integrated transportation network can have far-reaching impacts on the performance and capacity of the system overall.

Being strategic, we aim to align our investments to improve access to priority and high-growth markets. The background information concerning the Asia-Pacific gateway and corridor transportation infrastructure fund highlights some of the progress we have achieved in western Canada over the last decade. The update on the trade and transportation corridors initiative, or the TTCI, outlines how we are building on our best practices and lessons learned over the past decade to address the needs for the future of the trade-related transportation system in Canada.

Rather than repeat all the details included in the TTCI reference document that we prepared, it may be more useful to briefly provide you with a sense of where we are today. In the context of the national trade corridors fund, which is the core of the trade and transportation corridors initiative, Minister Garneau and the Government of Canada have so far announced federal investments of nearly $760 million in trade and transportation infrastructure projects across the country. These are cost-shared with other levels of government and the private sector.

The reference document provides examples of projects that support import and export flows with established and high-growth markets, recognize the need to strengthen the climate resilience of transportation infrastructure and support the unique transportation needs of Canada's territories, support safety and improved traffic flow for both cargo and residents—particularly around Canada's largest ports—and are based on collaboration with and among infrastructure owners, authorities and other levels of government to help maximize the scale, scope and impact of our investments.

● (0850)

While collaboration with stakeholders provides valuable insight into where public and private infrastructure needs or bottlenecks exist, Transport Canada has also invested significantly to establish an objective evidence base to help inform and quantify trade-related transportation infrastructure issues. This past year, the department, in collaboration with Statistics Canada, established the Canadian centre on transportation data, an open portal for multimodal transportation data and performance measures. The trade and transportation corridors initiative background document provides more details on future plans in this area.

Innovation and new technologies will continue to shape transportation infrastructure needs and uses. Within the context of the TTCI, Transport Canada is undertaking targeted actions in the areas of connected and automated vehicles, and unmanned aerial vehicles or remotely piloted aircraft systems. A central goal of this work is to ensure their safe deployment and use. In the context of transportation infrastructure, for example, future uses could include long-range infrastructure inspections and, over the long term, perhaps even carrying cargo and passengers. From a road transportation perspective, the uses of connected and automated vehicles are both promising and likely disruptive.

I will conclude my remarks at this point. We would be pleased to respond to any questions you may have, and we look forward to a more interactive discussion.

Thank you.

The Chair: Thank you very much. We appreciate that you keep your comments brief, so that the committee gets a full opportunity to ask the many questions they have.

We'll start with Mr. Liepert, for six minutes, please.

Mr. Ron Liepert (Calgary Signal Hill, CPC): Mr. McNabb is probably the fellow who can answer this question.

First of all, of the three of us on this side of the table, Kelly comes from Saskatchewan, and Matt and I from Alberta. Rail transportation has always been an issue in western Canada, but it was primarily our grain producers who couldn't get product to market.

In recent years, the issue of oil by rail has become increasingly.... Well, we're now up to 200,000 barrels a day by rail; you can correct me if my numbers are wrong here. To put some context around this for those who wouldn't be that familiar with it, I believe each railcar carries 1,000 barrels of oil, which means that every day there are 200 railcars full of oil on a track. It probably takes four or five days to get to the coast, so we're talking 1,000 to 2,000 railcars on tracks at any one particular time.

These railcars are going through areas of British Columbia that Mr. Hardie would be very familiar with, over the Fraser River. I am quite surprised that we haven't yet had an environmental catastrophe. The reason this is happening is obviously the delay in pipeline construction.

What are you doing to try to encourage the federal government or at least put the federal government on notice that we are on the verge of an environmental catastrophe if we don't move ahead with pipeline development and get these oil cars off the rail tracks.

Mr. David McNabb: Thank you for the question.

From our perspective, one of the key things we are doing is monitoring the situation in terms of the statistics and the volumes. I know that Christian's group is reviewing a lot of the commodities that are on the rail network system. Part of that is monitoring what's happening going forward and being able to report in terms of how the mix of commodities is changing over time, and then thinking about what type of remedies we may need to put in place given the risks that may be coming up. In terms of safety and security, we have an area within the department that we would be providing that information to, and then they would be looking at the potential risks and what some of the potential responses to those risks would be.

● (0855)

Mr. Ron Liepert: As a department, are you getting concerned about this? Are you advising the minister that this is becoming a very serious issue, or are you just monitoring it?

Mr. David McNabb: We're providing the information. That is not an area that I'm responsible for, but from our perspective, we provide that kind of objective information for consideration. It's not something I can comment on in terms of the safety and security side because that's not my area of responsibility.

Mr. Ron Liepert: Can somebody else comment?

I find it very disturbing that this doesn't seem to be of any priority for senior officials of the transportation department, and yet we in western Canada are getting more and more concerned every day. I just can't believe that the Department of Transport wouldn't be pushing the government to deal with this issue.

Ms. Sandra LaFortune: In fact, as part of the safety and security sector of Transport Canada, there is a group that is dedicated to the transportation of dangerous goods, and there are also groups dedicated to rail safety. I think between those two, they are definitely keeping an eye on what's going on and coming up with potential options.

Our role is to provide that information, those options and the advice that we can to senior management and to the minister for onward transmission.

I don't think that people are not paying attention to it. I think that those groups in particular are keeping a close eye on what's going on.

Mr. Ron Liepert: Well, it's not a matter of paying attention to it. It's a matter of making—

The Chair: You have 30 seconds.

Mr. Ron Liepert: Okay.

It's a matter of making the case to elected officials that something has to be done about this issue, and the obvious one is to build a pipeline to get the railcars off the tracks.

The Chair: Thank you very much, Mr. Liepert.

We go on to Mr. Badawey.

Mr. Vance Badawey (Niagara Centre, Lib.): Thank you, Madam Chair.

I believe it was announced yesterday that the government is accelerating the replacement of tanker cars with up-to-date, safer, higher-standard tanker cars. Is that true?

Mr. David McNabb: I don't know.

Mr. Vance Badawey: Okay, we'll leave it at that.

The Chair: We've all seen it.

Mr. Vance Badawey: Yes, thank you, Madam Chair.

As you know, the committee is going on a tour. We're going down to Niagara to look at the infrastructure of the trade corridor, as well as the multimodal network they have available there. After those two days, we're going to move on to the Asia-Pacific to visit Vancouver, Prince Rupert, and Seattle.

My first question to you is—because you are the reason we're taking the trip to get you that information—what is some of the information? We don't want to duplicate a lot of what has already been done. What is some of the information that you'll be looking for us to bring back with us to help you in your deliberations and in your process: one, to recognize the trade corridors, the assets and the benefits of those locations, and two, to add into the overall trade corridors fund any information that will make it easier for you to make decisions about where infrastructure funds go?

Mr. Martin McKay: I'll start, and then maybe my colleagues can jump in if I miss any details. One thing we've seen through the consultations and discussions with applicants and interested parties for the national trade corridors fund is a real demand for that infrastructure.

During your visits, any information you can develop and bring back regarding potential projects, but also both qualitative and quantitative data supporting that.... When we had our first round of funding applications under the national trade corridors fund, we saw a huge reach of projects all the way across the country. There were strengths with some. There were other projects that didn't show enough detail. They didn't provide enough numbers to really highlight the strength of those proposals. When you're out talking to stakeholders and doing your consultations and discussions, getting some concrete numbers that support their investment ideas would be very useful.

● (0900)

Mr. Vance Badawey: Okay, thank you.

Sandra, go ahead.

Ms. Sandra LaFortune: I would say that it would be really interesting to get a better sense, from the perspective of the people you'll be talking to, of where they see the priorities that are required around transportation infrastructure, where they see the bottlenecks that need to be fixed and what they consider to be the most important and biggest-bang-for-your-buck projects that could be invested in that would make the biggest difference for Canadian transportation. These are key goals we have. It would be really interesting to hear from the people you'll be talking to, because we do have, in Christian's shop and elsewhere, a lot of expertise, data analytics and even people on the ground through our regional offices, but hearing from the stakeholders and the people who use the system is always invaluable.

Mr. Vance Badawey: That said, as you may know, in our neck of the woods we have the St. Lawrence Seaway, which is obviously an arm's-length corporation run by a separate board. Currently it's at 50% capacity. It's not working at its full potential. There are a lot of reasons for that, which I'm sure we're going to hear about, and a lot of them have to do with the infrastructure itself, with the management of the asset or the lack thereof.

Second to that is the question of other jurisdictions. You mentioned in your opening remarks that you're working with other jurisdictions and other levels of government on, for example, highways. One of the bottlenecks in Niagara is the QEW and the 401 corridor. Even this morning, it was shut down because of an accident; there's no redundancy. Are you prepared to look at working with arm's-length corporations to fix those challenges vis-à-vis the St. Lawrence Seaway, as well as with the provinces vis-à-vis the highway system?

Mr. Martin McKay: The fund itself is applicant-driven. We would look to those organizations if they have projects that are ready to move ahead. If they have the plans in place and their share of the funding, they're more than welcome to apply.

One of the challenges we had with the first round is that we saw some projects that weren't funded. They had a federal ask, but they didn't have the supporting provincial ask or a corporation's side of the funding.

They're definitely eligible to apply. Again, it's a case of them prioritizing which projects they wish to move forward.

Mr. Vance Badawey: Would the federal government entertain the idea of stepping outside of the jurisdictional boundary and funding, for example, a highway, with the province as a partner?

Mr. Martin McKay: If the province were to bring that forward as a proposal, and if through the evaluation it was shown to address the priorities of the national trade corridors fund, it would definitely be something that could be considered.

Mr. Vance Badawey: That's great. Thank you, Martin.

The Chair: Monsieur Aubin, go ahead.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Thank you, Madam Chair.

Ladies and gentlemen, welcome and thank you for joining us this morning. My questions will be for the whole group. You can decide who the best person to answer is.

My first question is about recent history. In 2007, Quebec and Ontario signed an agreement protocol with the Government of Canada to develop the Ontario-Quebec continental gateway and trade corridor initiative. However, it seems that there has been radio silence since. No strategy has been adopted. To my knowledge, nothing has been implemented.

Can someone explain why, although that agreement was signed more than 10 years ago, the gateway still does not exist?

[*English*]

Ms. Sandra LaFortune: The continental gateway you're referencing was part of the previous gateway and corridor initiative, which actually sunset. Was it in 2014?

Mr. Martin McKay: It was in 2018.

Ms. Sandra LaFortune: No, the last projects were done in 2018, but I think the sunset was—

A voice: It was in 2013.

Ms. Sandra LaFortune: Thank you.

It was in 2013. As a result, the national trade corridors fund is building on the regional gateways that were part of the gateway and corridor initiative. Initially, there were the Asia-Pacific gateway and corridor, the continental gateway and the Atlantic gateway. The national trade corridors fund and the trade and transportation corridors initiative are building on the lessons learned from the initial gateways and corridors experience we had for over 10 years.

They're trying to achieve a more national view rather than a regional view. There's now no regional gateway like the continental gateway, but it's about how all these pieces fit together into the overarching national system.

● (0905)

[*Translation*]

Mr. Robert Aubin: Thank you.

Almost daily since the 2015 election, we have been hearing the government say that it wants to make the environment and economic development work hand in hand. Words aside, I am struggling to see how that wish is materializing.

In the document on the Trade and Transportation Corridors Initiative prepared by your department, I see no mention of sustainable development or clean growth. However, the breakdown of greenhouse gas emissions by economic sector shows that the transportation industry is probably the first or second source of greenhouse gaz emissions.

Could you tell me whether, for instance, the use of clean energy is among the eligibility criteria for program funding?

[*English*]

Mr. Martin McKay: It's an excellent question. When we look at the first round of national trade corridors funding and the priorities supporting that call, the first priority was how those projects addressed bottlenecks. The second priority and consideration in the evaluation of projects was how those projects addressed resiliency, both from a safety and security point of view and a climate change and environmental point of view.

Every project that was evaluated under the trade corridors fund, similar to the other infrastructure programs within the federal government, underwent a climate change lens evaluation that considered how it was responding to a changing climate and what steps were being taken by the project to reduce greenhouse gas emissions. It was very much a piece of that first call for proposals under the national trade corridor assignment.

[*Translation*]

Mr. Robert Aubin: Can any of the 19 projects funded by the national trade corridors fund be targeted? If so, how many approved projects are directly related to the fight against climate change?

[*English*]

Mr. Martin McKay: It may not be a fight against climate change. A study was approved in Atlantic Canada that's looking at the Chignecto Isthmus and the implications for that project in the face of rising sea levels: what may happen and what sort of resilient infrastructure can be added to that.

In addition, for all the projects it was taken into consideration how the greenhouse gas emissions could change based on the development and construction of those projects. A highway twinning project in southern Saskatchewan will increase the capacity of the road network in that area, thus allowing for a greater free flow of vehicles with reduced stopping and starting resulting from congestion. That also impacts climate change and improves the reduction of emissions.

[*Translation*]

Mr. Robert Aubin: Thank you.

I have a quick question on railway safety. I am using this opportunity to applaud the announcement the minister made yesterday to accelerate the schedule for removing DOT-111s.

Out of the 141 department staff members in charge of oversight and railway safety, how many are qualified to carry out railway safety audits?

[*English*]

Mr. David McNabb: Again, that's an area I'm not responsible for, but I could go back and get that answer for you.

[*Translation*]

Mr. Robert Aubin: Thank you.

[*English*]

The Chair: Thank you very much.

We'll move on to Mr. Iacono.

[*Translation*]

Mr. Angelo Iacono (Alfred-Pellan, Lib.): Thank you, Madam Chair.

I thank the witnesses for coming here this morning to lay out an overall vision of the Trade and Transportation Corridors Initiative. I will put my questions to all the witnesses. They can decide who would best be able to answer.

The Port of Montreal is the second largest port in Canada and the largest in Quebec. It is successful and innovative. As you say in your documents, Canada is contributing $64.3 million to two projects involving the port.

Could you briefly tell us about the projects in question and about the issues they address?

● (0910)

[*English*]

Mr. Martin McKay: I can certainly do that. The first project is the optimization of the intermodal network within the port. The federal contribution to that is $18.4 million. That's going to improve some of the infrastructures in the port, the underground infrastructure supporting the network, new roads within the port and the construction of some new rail assets within the port to help facilitate the movement of goods offloaded off ships onto railcars.

The second project within the port is improving access to the port. On the road network, again, a $45-million federal contribution is going to work with the City of Montreal in improving the local road network around the port to facilitate access.

[*Translation*]

Mr. Angelo Iacono: Thank you.

How can the optimization of intermodality reduce bottlenecks and improve trade performance in the Port of Montreal and, on a larger scale, in Canadian ports?

[*English*]

Mr. Martin McKay: Improving the fluidity of the movement of goods within the port, and optimizing that by having more capacity to take the containers off a ship and load them onto a railcar, means that those goods are moving more quickly from the port onto the road or rail network. When you start improving the roads around the port and increasing that capacity, it means that trucks entering and exiting the port are able to do that more quickly, thus eliminating congestion and getting the goods to market or onto the ships more quickly.

[*Translation*]

Mr. Angelo Iacono: What would be Transport Canada's approach when it comes to smart ports?

[*English*]

The Chair: It probably should be part of the smart cities.

[*Translation*]

Mr. Patrick Gosselin (Director, Port Policy, Department of Transport): Good morning, my name is Patrick Gosselin. I am the director of the marine port group at Transport Canada.

Your question is a good one.

We are working with the country's 18 port authorities to try to understand innovation and where it is headed. We have launched a review of port modernization. We are in consultations to determine the various elements to take into consideration. There are a number of aspects. It is also a matter of determining what needs to be implemented to create an innovative port.

Mr. Angelo Iacono: How could an innovation strategy among the ports and in collaboration with the federal government guarantee the competitiveness of our Canadian sector?

Mr. Patrick Gosselin: The ports are already working together. Certain port groups are trying to innovate and are working with companies such at Blockchain and IBM. Those are two examples of cooperation. Those in charge are in discussions to determine what the barriers to information gathering are in order to move toward common innovation technology.

In addition, it's a matter of taking the various elements into consideration. It's a matter of security and safety, as well as of information flow. The information needs to be found and distributed to various clients, so that they can perform better.

Mr. Angelo Iacono: Is Transport Canada looking into the smart city concept that could apply to ports, so that ports would become increasingly smart?

Mr. Patrick Gosselin: I would say that a port is now open to the community. On a daily basis, ports are responsible for working with the local community to determine how activities can be integrated into the movement of goods.

Mr. Angelo Iacono: Thank you.

[*English*]

The Chair: Thank you.

Mr. Hardie, go ahead.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Madam Chair.

Good morning, everybody. It's nice to be back and see all of your friendly faces—well, at least friendly so far; you know the day is young.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Wait for it.

Mr. Ken Hardie: Ms. LaFortune, you made a very interesting comment. The approach is multimodal and systems-based rather than based on the performance or capacity of individual modes. I wanted to test that a bit with you in advance of our trip to the west coast to look at the trade corridor there. That's my home territory. I had some time over the summer to have discussions about various component parts of the whole trade picture. I would intend in our questioning of the witnesses to do a bit of a deeper dive as to what they see coming in the future, what their plans are, and how well integrated those plans are. Is that not a concern? How would you contrast that with what you term a multimodal and systems-based approach?

● (0915)

Mr. Christian Dea: When we think about multimodal, it's based on the fact that when we have seen problems in the performance of the system, very often they are due to a lack of coordination between the different modes. That's why we push the conversation a bit more, to ensure that we improve the coordination and the planning of the different mode capacities and to determine how they can better work together to deliver or move people or merchandise with more fluidity.

This multimodal framework is really to push this conversation, not just to capture what is happening by mode—by rail, by port, by air, or through the trucking industry, for example—but to bring this picture together and get a better sense of how they interact. If they are facing some challenges in coordinating their activities, how can we, from an information perspective, or from a governance perspective through incentives, have the different people work together more effectively to develop an overall system that performs better?

In the context of the west coast, it's clearly an area we've been focusing on a lot. We launched a pilot with the Port of Vancouver, the industry, the railway, and the terminals, to bring these people together and gain a better understanding in terms of the visibility of their supply chain within a full system, to get a better appreciation of where the bottlenecks are happening, and to see how we can work together. It needs to be a kind of joint venture to address some of these issues.

Mr. Ken Hardie: I have further questions, but I thank you for that.

We can't forget that these trade corridors operate with neighbours. There are residential areas. There are commercial areas. One of the sticking points on the west coast, for instance, is the capacity used by the West Coast Express commuter rail, which of course significantly reduces the capacity for freight movement on CP's lines.

Looking at that combination of local needs and local relationships versus—obviously—the bigger trade picture, I'm just wondering what Transport Canada's view is of things like commuter rail and the future for commuter rail, if in fact the country starts to build to the capacity and the promise of the trade agreements and to have more trade going in and out of our ports.

David, maybe that's a question for you.

Mr. David McNabb: Sure, I can handle that.

It is something we do assess. We're looking at both the passenger and the freight rail systems and how they work together. As you mentioned, there are issues sometimes, given that the demand for both is increasing. It is something we assess as projects come in—on passenger rail, for example—in terms of how the balance between those two works out. It is something we have to assess as we go forward on any commuter rail projects, in working with our partners.

Mr. Ken Hardie: Do you have any sense of the role of municipal planning in the overall performance of the transport system? Again, using metro Vancouver as an example, the major arterial roads and the provincial roads can be chockablock at the best of times. With the number of container movements on truck and the dispersal of the various places they're going to, do you consult with municipal authorities on their planning and where they would want to preserve industrial land, for example, or the warehousing sector, and so on? Do you have a good fix on those challenges in each of the major port areas?

● (0920)

Mr. David McNabb: I'll start, and then if anybody else wants to, they can jump in.

As projects come up, we actually develop working groups that include the different levels of government—federal, provincial and municipal. It is something we do take into consideration because every level of government has a role to play in those projects.

It's actually an important part of the process to take into account those considerations, and each level of government can bring its information and its needs into that planning process. We try to act as a facilitator on those types of projects, to bring the levels of government together in those discussions.

The Chair: Thank you very much Mr. McNabb. The time is up.

Mr. Jeneroux, go ahead.

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Thank you, Madam Chair.

Thank you, everybody, for being here today.

I'm going to split my time with my esteemed colleague Kelly Block. In the meantime, I will hopefully get a couple of questions answered.

You mentioned, Madame LaFortune, the figure of $700 million in federal investments in trade and transportation infrastructure.

Ms. Sandra LaFortune: It's $760 million, and that was for the first round; it's not per year.

Mr. Matt Jeneroux: Have those projects been started? Are shovels in the ground? Have they been completed? What's the status of those projects?

Mr. Martin McKay: I can speak to that.

A number of projects have started. They have started construction. They started this summer. In fact, we have actually paid some claims and invoices from those projects.

Some are longer-term in nature. It's an 11-year fund. We have a number of projects that go into year seven or eight. Right now, some of those projects are doing the preliminary planning and finalizing their engineering designs so they can start construction as soon as possible.

Mr. Matt Jeneroux: Perfect.

Is it possible to get a breakdown of which projects have and which projects haven't been started yet, and their status, under the $760-million fund?

Mr. Martin McKay: If it's the will of the committee, we can go back and provide that information.

Mr. Matt Jeneroux: I'm requesting it, yes.

We're seeing a number of ports across the country. However, there has been a lot of news of late about one point of entry into the country, which is the Windsor-Detroit crossing. I'm hoping that perhaps somebody from the witnesses here can comment on the permit that was recently provided to the Ambassador Bridge, and perhaps also comment on the status of the Gordie Howe Bridge.

Mr. David McNabb: I can take that. My understanding with regard to the Gordie Howe Bridge is that it is continuing down the path toward construction. There was an announcement earlier this summer that they were getting into the design phase. Soon there will be an announcement about the design of the Gordie Howe Bridge. That is moving forward.

In tandem is the permit for the Ambassador Bridge. They're going through their planning process and doing their due diligence in terms of the rehabilitation of the Ambassador Bridge.

Mr. Matt Jeneroux: Do you know off the top of your head why a permit was given to the Ambassador Bridge, when the Gordie Howe Bridge was already in place?

Mr. David McNabb: I don't, off the top of my head. Again, I can go back and get that information.

Mr. Matt Jeneroux: Anything you would be able to provide us with would be helpful, to understand that further.

Thank you.

Mrs. Kelly Block: Thank you very much, Madam Chair.

With all due respect to my colleague across the table, I do feel the need to clarify the fact that I do not believe it is the role of parliamentary committees to support the work of the department. I think we're here to learn on our own, and to inform our own caucuses about what we've learned. While I hope that the report we submit may be taken up by the department, or even the minister himself, I think we continually get dragged back into that narrative about our being here to support the minister's work and the department's work. We're not. We are masters of our own destiny, and we study the things we want to study because we want to learn from them.

I want to ask a question building on the comments that my colleague made in his initial intervention regarding oil by rail. What, if anything, is in place that brings together departmental officials from various departments—for example, Transport, Infrastructure, and Natural Resources—to perhaps look at addressing an issue that might cross the lines of those departments? If you could define that for me, I would appreciate that.

● (0925)

Mr. David McNabb: Across departments, we do have our own working group committees on rail. There are individual committees within the departments, such as Natural Resources Canada, AgCan and Transport Canada, but we do come together as a group as well to talk, for example, about the commodity mix that's in the system and what's being forecast going forward, as well as some of the issues coming up, such as bottlenecks and planning going forward, how we can engage both the class one railways and the commodities to ensure that there's fluidity in the network, as well as issues coming up as we see things, such as oil on rail, so that we can bring those up within our respective departments, those issues that are bubbling up to the surface.

The departments with those mandates can look at the issues and decide what policy response may be coming forward, relative to the issues that we're starting to see, or that we see, on the rail system.

The Chair: You have 30 seconds.

Mrs. Kelly Block: Does the major projects management office still exist?

Mr. David McNabb: The major projects management office still exists, from my understanding. Again, it's out of my mandate as it's under the Natural Resources Canada mandate.

Ms. Sandra LaFortune: I believe it does, as does the northern projects management office.

Mrs. Kelly Block: Thank you.

The Chair: Thank you very much.

Mr. Rogers, go ahead.

Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.): Thank you, Madam Chair.

Welcome to our witnesses this morning.

Being from Newfoundland and Labrador, I see a very different picture in terms of transportation networks from what we've seen in other parts of the country. Many of the challenges that our seafood producers and small businesses have are about getting access to markets. Getting product from Newfoundland and Labrador to foreign markets is a real challenge in many cases, as it is in other parts of Atlantic Canada.

I think this national transportation strategy provides a unique opportunity to enhance the unique advantages that we have as a country. Could you please elaborate on how this will enhance existing trade and transportation systems, particularly in Atlantic Canada?

Mr. Martin McKay: As I mentioned earlier, in terms of Atlantic Canada and the projects that were selected in Newfoundland and Labrador, we really looked at four priorities for the first call for proposals. One of those was the resiliency, safety and security of some key transportation assets. One of the projects approved in Labrador is the Gander International Airport Authority's application for some runway upgrades to continue to keep that airport in operations and to maintain that key transportation corridor.

In addition, there were improvements to port cargo handling productivity at the St. John's Port Authority. Both of those link to international connections and getting goods, be it seafood or others, off Newfoundland shores to the international and national markets.

Mr. Churence Rogers: Could you comment a little more on how the port modernization review fit into this overall strategy, particularly for Atlantic Canada?

Mr. Martin McKay: Do you mean the port handling productivity? I'm not sure if I completely understand.

Mr. Churence Rogers: How does the ports modernization renewal fit into the overall strategy?

Ms. Sandra LaFortune: We have a port guy.

[*Translation*]

Mr. Patrick Gosselin: Good morning.

We are indeed in consultations with stakeholders from across the country. We have also launched a call for submissions, which is on until October 26. We are inviting various stakeholders and clients from the marine sector, for instance, but also from the fishing industry, to share their challenges in terms of optimization and competitiveness of the marine sector in trade.

● (0930)

[*English*]

Mr. Churence Rogers: The seafood industry faces challenges in regard to trade, not just Newfoundland and Labrador, but Atlantic Canada. One of the largest markets for seafood is Asia. How will this strategy enhance and integrate transportation systems and logistics across the entire country so that goods produced and harvested in Atlantic Canada travel seamlessly to their destinations and do not face impediments while still on Canadian soil?

Ms. Sandra LaFortune: I'll take that one.

The goal of the trade and transportation corridors initiative is to view the transportation system from a national perspective. Even if something is going from the far eastern part of the country in Atlantic Canada to Asia, it's a question of ensuring that a change in some of the infrastructure around Montreal, Toronto or Edmonton might help with getting something from one end of the country to the other.

The goal is to ensure that the infrastructure that supports internal trade will also end up supporting international trade, because it is seen as a seamless system, especially now with so many other choices in how to get from point A to point B. There's not only air, but also shipping through the Panama Canal. Something could even leave from the Atlantic provinces and just go through the Suez Canal to get to Asia, depending on where in Asia. I think Singapore is a point of indifference. It doesn't matter if you go from the west or from the east.

All those things are under consideration in this national program.

Mr. Churence Rogers: Thank you, Madam Chair.

The Chair: There's one minute left.

Mr. Churence Rogers: I'm done; it's good.

The Chair: Mr. Bittle has indicated that you want to share that one minute with him. It's now 45 seconds, so you'll have to be very fast.

Mr. Chris Bittle (St. Catharines, Lib.): My biggest concern, and I'll try to sum it up as quickly as I can.... Like Vance, I'm from Niagara, and we have the St. Lawrence Seaway. Niagara residents are uniquely impacted because the seaway cuts the peninsula in half. There's a review, and I'm concerned when looking at your slide deck, which says that Transport Canada will compile and assess the review's key findings with a view to supporting the renewal of the framework. It seems like there's already a determined outcome for the review.

My biggest concern representing the residents of St. Catharines is that the seaway doesn't interact with the municipalities; it doesn't interact with the people. Though we're told that billions of dollars in trade goes by, we sit at the shoreline and wave as it goes by. We're impacted by the bridges. We're impacted by delays, and we're impacted by the seaway's failure to develop any of their economic land.

Why isn't the department consulting Niagara residents, and is the review already a determined process?

The Chair: I realize that's a fairly lengthy question, but could you give us a short answer? You might want to send the committee a more detailed answer; that might be helpful.

I'd like a short answer if that's possible.

Mr. Patrick Gosselin: Through the seaway review process, yes, we are under consultations. We are also having some discussions with some people in the Niagara region. So we understand the situation and we're moving through the process of the review right now.

The Chair: Okay. If you have some further information to the question of the committee member, you could send it to the committee, please.

Mrs. Block, go ahead.

Mrs. Kelly Block: Thank you very much, Madam Chair.

Ms. LaFortune, I quickly want to go back to a comment you made in regard to a question about the Asia-Pacific gateway and corridor initiative. I think what I heard you say was that we did not renew the mandates of that gateway and corridor strategy because we've moved toward a national strategy. I know it was a recommendation out of the Emerson report to renew the mandate for the gateway and corridor strategy. I'm wondering if you could tell us why the government, maybe on the advice of the department, decided to terminate the Asia-Pacific gateway and corridor initiative. If it's because we now have a national strategy, could you maybe describe for me why it can't be a both/and?

● (0935)

Ms. Sandra LaFortune: Actually, I think it is a both/and. I think it's actually even a both/plus. Some of the elements of the trade and transportation corridors initiative.... As I said, all of it builds on the regional strategies, but it's being looked at from a national perspective. It's not that we aren't doing anything Asia-Pacific ever again; it's just that it's been rolled into the bigger national strategy. In fact, the point of TTCI was to learn from the previous 10 years and try to improve it if we could.

One way we did that is that the Canadian port authorities are now eligible to receive funding, which they couldn't before. The small airports in the national airports system can now receive funding, which they couldn't before. As I said, the recipients list has grown as a result of some inadvertent blocks that were in the previous program.

So it isn't that we stopped this and started something entirely new. In fact, if you look at it, it's really a continuation. But what we were seeking to do was to make it a continuation that's even better and that learned from the history of the 10 years that we had.

Also, when we were doing the consultations across the country in support of transportation 2030, which is largely a response to the Emerson report, what we heard was that a national strategy was what the users of the system really wanted us to focus on, not just region by region, but how all the pieces fit together.

Mrs. Kelly Block: Thank you.

The Chair: Mr. Aubin, go ahead.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

I would quickly like to come back to the eligibility criteria for the national trade corridors fund.

The $2 billion figure may seem impressive, but don't forget that it is spread out over 11 years. Given the needs, we once again see that choices must be be made and that they are certainly not always easy to make.

For example, how to explain that a corporation as profitable as CN is receiving millions of dollars, while, according to the auditor general, infrastructure funding in the north is clearly inadequate?

Do you have any figures or a study showing the extent of infrastructural needs in the north?

[*English*]

Mr. Martin McKay: Thank you for your question.

The needs of the north have definitely been clearly articulated and identified in the national trade corridors fund. Northern projects were eligible under the first round of funding, and in fact there's a $400-million carve-out for transportation infrastructure projects in the north that address trade-related issues. That is going to be further developed through a call for proposals for projects only in the territorial north later this fall. We've allocated $145 million to projects already and there's an additional $255 million available.

In addition to that, through the Investing in Canada plan, there's a further $2 billion set aside for rural and northern communities that looks at specific infrastructure related to those communities' needs. We're the bigger-T transportation, and then that fund as well can support the localized transportation needs of communities.

[*Translation*]

Mr. Robert Aubin: Considering the lesson learned this summer, I would like to know whether funding has been allocated for consultations with aboriginal communities that will be affected by construction projects.

[*English*]

Ms. Sandra LaFortune: This summer Transport Canada had a series of consultations in the north with the users of the system, with the indigenous peoples in the north, in support not only of the northern call for proposals that, as Martin said, is going to be launched later this fall, but also in support of the development of an Arctic transportation strategy and in support of Transport Canada's contribution to the Arctic framework that the government as a whole is developing. All through the summer, from June until now—I believe they're done now—there were consultations that engaged the native peoples in the north.

● (0940)

[*Translation*]

Mr. Robert Aubin: Thank you.

[*English*]

The Chair: I understand Mr. Graham has a short question before we close off.

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Yes, I have. Thank you for your indulgence.

To build on Vance Badawey's question at the very beginning, we're talking about provincial highways and so forth. The Trans-Canada Highway cuts across my riding. It starts as a two-lane road. It has a half a million heavy trucks and two million vehicles a year, and regular fatalities. For political reasons, the province has never invested in it. They're finally investing in a 10-kilometre stretch in the next 10 years. Are there any options from our side?

Mr. David McNabb: Any options...?

Mr. David de Burgh Graham: Are there any options to address these highly fatal, way over-busy highways? Highways with a quarter of the traffic are put in four lanes, and this one is not.

Mr. David McNabb: Right. Thank you for the question.

It is something we are looking at with the provinces. We have a federal/provincial/territorial committee on trucking and highways. It is one of the issues that has been brought into that committee, and it's something that we are looking at currently.

Mr. David de Burgh Graham: I appreciate that. Thank you.

The Chair: Thank you very much.

Thank you for all of that information. If you could follow up on various points the committee members wanted additional information on, we would appreciate that.

We will suspend for a few minutes to switch our witnesses.

● (0940)

(Pause)

● (0945)

The Chair: Now we have with us from the Canada Border Services Agency Martin Bolduc, vice-president, programs branch; Johny Prasad, director of program compliance and outreach; Scott Taymun, director general, transformation and border infrastructure and renewal directorate; and Denis Vinette, associate vice-president, operations branch.

I think we're missing one person, but we'll start right away. Who would like to go?

Mr. Martin Bolduc (Vice-President, Programs Branch, Canada Border Services Agency): Madam Chair, good morning. Thank you for having us this morning. We have provided a deck, and I plan to go over the deck quickly. Then we'll welcome all the questions you may have. It's a pleasure to be here.

Essentially the Canada Border Services Agency is responsible to provide integrated border services at all Canadian borders to facilitate the flow of people and goods while ensuring the safety and security of Canada.

Our daily challenge is to balance the facilitation of trade and people while ensuring the safety and security of Canada. It's a daily challenge because we're faced with increasing volumes and a changing environment.

Essentially we're a workforce of 14,000 people that works 24 hours a day, seven days a week. We span the country and have a footprint internationally. We operate and have staff in all modes of transport: marine, cruise ships and container facilities, rail, land borders, and airports. We also have personnel in three mail centres across the country.

We manage the flow of people and goods and protect the supply chain. We protect the safety and security of Canada, essentially in three business lines: customs activities; immigration enforcement and refugee processing; and food, plant and animal, ensuring food safety and enforcing any legislation that has to do with food, plant and animal.

We do it essentially to ensure that commercial goods and conveyance are processed in an efficient manner. We ensure trade partners are compliant with applicable legislation requirements and measures. We increase the processing efficiency of low-risk, pre-approved trade partners. We have different programs whereby we pre-approve trade partners so we have an ability to have a low-touch approach when goods cross the border.

In the business line we have we process international travellers coming to our borders. We process commercial goods. We are also responsible for trade and anti-dumping activities. CBSA is the organization that's responsible for tariff classification, for the origin and valuation of goods that are imported, and for conducting anti-dumping investigations.

Our fourth business line is enforcement and intelligence, having an ability to focus on what we view as being high risk and expediting as quickly as possible what we deem to be low risk.

As I said, our daily challenge is balancing everything, but we are facing increasing volumes. Air travellers have increased in the last five years by 25%; commercial imports by 27%; postal imports by 151%—mainly due to e-commerce—and courier shipments by 10%.

We are seeing an increase in all modes. We have to deal with the complexity and facility of travel.

● (0950)

We don't deal with it on our own. We have many stakeholders: the shipping industry, the truck association, airport authorities, bridge and tunnel operators. We have a *panoplie*, as we say in French, of stakeholders with which we have, I would say, daily conversations, to be able to keep everything in equilibrium and make sure that the service expected by the trading community is up to par and to the level they expect.

Maybe I can turn it over to Johny to cover our commercial modernization, and then I'll try to wrap it up.

Mr. Johny Prasad (Director, Program Compliance and Outreach, Programs Branch, Canada Border Services Agency): Thank you, Mr. Bolduc. Thank you, Chair and committee. Good morning.

In regard to commercial modernization, there is a lot of information in one piece of paper in this presentation, but I'll keep it high level.

From a strategy perspective, risk-based compliance is where the CBSA is targeting and trying to focus its intent. It's broken into five different pillars, the first one being client identification. Within client identification, what we're trying to do is ensure that we have the right data at the right time and understand who our entities are that we're dealing with. Instead of having multiple disparate businesses, if we can consolidate that to one, we then can focus on whether they're compliant or non-compliant.

The second pillar is pushing the borders out. This is where we're working to get the right information in advance of the goods actually arriving in Canada. One of our key initiatives is the advance commercial information initiative, ACI, and this is where things link into the single window initiative, SWI, as well as pre-clearance and e-commerce. We're trying to make sure that the information is pre-assessed before they arrive at the border in Canada.

The third one is facilitating low risk. The key to this is the trusted trader initiative. We also work with U.S. CBP, the U.S. Customs and Border Protection, and their program is called CTPAT. Our program is called partners in protection, PIP.

If we can register certain high-volume companies, known traders, who are low risk, we can then give them some benefits. We can give them expedited clearance at the border; we could actually reduce their examination rates. We can, in some cases, also provide additional benefits overseas. This is through the mutual recognition arrangements. We will give equivalent authority to similar programs overseas, meaning trusted trader programs in another county. If they're validated by CBSA and then cross-validated by that country, we will then have reciprocal agreements.

From a revenue management perspective, the CBSA is working to have a brand new program called CARM. With it, we're going to be modernizing the way we work with our clients, having a single point of contact, single dashboards, where we can integrate a lot of the information that's coming in from multiple systems. That is obviously to generate revenue, and to also collect duties and taxes. This is key, especially with what Mr. Bolduc put down for e-commerce. The growth is very high. It has also increased our threat environment, with things like fentanyl and other highly toxic substances like synthetic opioids being illegally brought into the country.

The last piece is on strengthening our export compliance regime, and that's through regulation changes. We're increasing compliance through a brand new system called the Canadian automated export declaration system. That's run by Statistics Canada, but CBSA is a key partner in that.

The next slide is "Commercial Programs Overview". I'll talk a little about the objectives.

Our objective is obviously to facilitate the import and export of commercial goods while ensuring our trusted trading partners can reach their destination with minimal interventions. We develop, maintain, and administer commercial policies, procedures, regulations, and legislation related to the movement of commercial goods into, through, and out of Canada. We also ensure that all importers and exporters understand and respect applicable Canadian trade laws and international agreements, as well as collect duties and taxes on imported goods.

In regard to the activities on the next slide, CBSA and the commercial programs focus in a couple of areas, starting with targeting intelligence collection analysis and security screening. A lot of these activities are done before the individual or the goods arrive within Canada, as mentioned. Trade facilitation compliance is also aligned with the placemat that I showed you. In it, we have things like anti-dumping and countervailing programs whereby we're trying to ensure that admissible goods, the ones that adhere to Canadian regulations—all the 90 acts and regulations that the CBSA enforces—are processed in the most efficient manner.

We can also ensure that our trade partners are compliant and processed expeditiously. From a trusted trader program perspective, it's obviously to increase the processing efficiency for low-risk, pre-approved partners. From a recourse perspective, we are trying to provide the business community with access to timely redress mechanisms. From a buildings and equipment and field technology support perspective—this is a key—we have numerous ports across our country, whether they be a land port, ocean to ocean to ocean, or the numerous airports that we service, as well as rail locations.

● (0955)

The Chair: I'm sorry to cut you off. It's just that the committee members always have a lot of questions. Whatever else you have, you can try and get it in with one of our members.

Go ahead, Mr. Jeneroux.

Mr. Matt Jeneroux: I think Ms. Block's first.

Mrs. Kelly Block: I can go first, sure. Thank you so much.

Thank you very much for being here this morning. Thank you also for providing us with the briefing in preparation for the work that we will undertake next week, part of the larger strategy to understand trade and trade corridors here in Canada and also with our trading partners to the south.

I know that back in 2013, the Government of Canada and the Government of the United States entered into an agreement to undertake a pilot project that would allow the United States Customs and Border Protection service to pre-inspect trucks or truck cargo in Canada. I haven't gone back to look at where that pilot ended up, or if in fact it actually informed and is continuing to inform the work that's done at the border today. Could you give us a bit of a lay of the land as to what's happening at the border in that regard?

Mr. Martin Bolduc: Thank you for the question.

The pilot, as you mentioned, was run for a few months. Yes, we were able to gather valuable information, and in fact that information led to the new pre-clearance agreement whereby both the CBSA and the U.S. CBP will have the ability to pre-clear people and goods in all modes. Currently, the U.S. CBP has pre-clearance operations in eight airports in Canada, but they were solely for air travellers. The new pre-clearance agreement will give both countries the ability to pre-clear goods, having the CBSA operating in the U.S. and the U.S. CBP operating in Canada in all modes.

That information is valuable. We're looking, from a Canadian perspective, as to where we could operate in the U.S. to essentially facilitate the movement and pre-clearance, whether it is railcars or commercial shipments, so that when they show up at the border, they don't have to stop; they just have to slow down and continue. Those discussions are ongoing, and we're seeing if industry is interested. The initial feedback from industry is that there's an openness to considering these activities. Those consultations will continue to inform the CBSA and enable us to make a recommendation to the government as to where we should be located.

● (1000)

Mrs. Kelly Block: In those consultations, have you identified today what the largest barriers are to being able to implement that?

Mr. Martin Bolduc: I would say one of the barriers is that when you conduct pre-clearance activities, you want to ensure that whatever is pre-cleared is under control until it makes it to the border so that if a shipment is deemed customs-cleared, there is no possibility of introducing contraband into it. That's one of the big challenges and that's why we're working with industry to find ways to ensure that the goods won't be infected—if I can say that—before they make it to the border.

The Chair: Thank you very much.

We'll go on to Mr. Hardie.

Mr. Ken Hardie: Thank you, Madam Chair.

What handle do you have on forecasts in terms of individual ports of entry, by road and seaport particularly? What's coming at you in terms of volumes, specifically on the west coast? Do you have that information at hand?

Mr. Martin Bolduc: We don't necessarily have forecasts. We leverage years of information to be able to forecast periods during the year when we can expect to get an increase in volumes. We don't get advance information, but based on the data we have, we are able to predict those busy periods.

Mr. Ken Hardie: Do you have the staffing flexibility to manage that? I heard you use the term "risk management", which means you're managing risk, not necessarily the whole picture.

Mr. Martin Bolduc: We're managing risk. When I say we're managing risk, we want to focus on what we consider to be high risk and not spend a lot of time on low risk. That's our approach. We have staffing flexibility and we ramp up ahead of those busy periods. We might expect to have a container ship arriving, but bad weather at sea might delay it, so we have to readjust based on what we have. There are many variables that keep us on our toes, but we are able to react as needed.

● (1005)

Mr. Ken Hardie: How long does it take to inspect the average truck coming over the border at the Pacific crossing, or a container arriving in downtown Vancouver or out at Deltaport? What kind of inspection time is required to be devoted to it before it goes on its way?

Mr. Johny Prasad: It varies. As Mr. Bolduc mentioned, we follow a risk management approach. The time depends on what type of indications we have for the examination. If it's just a quick check to see if the load is sealed, it could be very quickly done, say in five to 15 minutes. If we're going to be able to leverage some of our large-scale imaging devices, which is a very large X-ray, we could run it through there in about five minutes. Then the officer tries to analyze the image to figure out if there are any indicators of non-compliance.

If there is something that seems like an anomaly, we can investigate it right then and there and have the truck keep moving down the road. The old way was that we'd have to back it up to a warehouse and unload the whole thing, which could take on average four hours and two officers, along with offload service providers. A lot of time and effort went into the manual examination.

In the marine mode, it's also quite dependent on the terminal service operator or the terminal operator. If the discharge of the vessel is delayed, first it comes off the vessel through the gantry and sits on the terminal. Through a reservation system, they have to order a drayage contractor to come and pick up that container and move it to the container examination facility. You might know that in Vancouver, the container examination facility right now is in Burnaby, over 50 kilometres away. The CBSA is moving to build a brand new one in Deltaport, only five kilometres away, which will help expedite the container examinations.

The Chair: Thank you very much.

We want everybody to get an opportunity here.

Go ahead, Mr. Aubin.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

Gentlemen, thank you for joining us.

My question will take us back in time a little bit. According an older Auditor General's report, an initiative led by Transport Canada was supposed to provide information in real time on wait times to help the Canada Border Services Agency better plan the use of its resources at the border. Travellers and commercial carriers could also use that information to make informed decisions on the best time and the best place to cross the border. Transport Canada and the Canada Border Services Agency had committed to implement a wait time measurement system on both sides of the border, at 20 selected high-priority border crossings.

My question is very simple. How far along is that initiative? Have the 20 border crossings implemented those measures? If so, what has been the initiative's outcome?

[*English*]

Mr. Johny Prasad: I'm not aware of the exact progress on it, but we are working with Transport Canada, our U.S. colleagues, and quite often the provincial road or transportation partners to ensure that the border wait time technology has been implemented. Because there are so many partners involved, it is taking some time. I can get you a follow-up response on exactly which ports have been implemented and what the status report is, but I can assure you there is work ongoing to bring in border wait time technology.

[*Translation*]

Mr. Robert Aubin: I would like to at least be provided with a report on the 20 border crossings. Knowing whether four, five or 18 of them have implemented those measures would already be significant.

In addition, I would like to know whether they are any considerable differences between Canada and the United States in terms of security standards related to the transportation of goods, or whether our rules are relatively harmonized.

Mr. Martin Bolduc: I could talk to you about border procedures, which are highly harmonized. As for security standards in transportation, that falls more within the purview of Transport Canada than of the Canada Border Services Agency.

As we have already said about border procedures, many programs are collaborative. So there is reciprocity between programs in order to facilitate the movement of goods at the border. Our border procedures are very similar.

I could not answer you with regard to security.

● (1010)

Mr. Robert Aubin: Okay.

I would like to come back to the Auditor General's report from 2012. It says that the Canada Border Services Agency was not keeping a record of the number of lookouts leading to interceptions of shipments.

Is that still the case, or is there now a registry where agency employees must report interceptions?

Mr. Martin Bolduc: The audit you are referring to, stated that we lacked rigour when a lookout was issued, regarding a risky shipment. Following that lookout, our documentation on the inspection or on its outcome was incomplete. Therefore, we have taken steps to remedy the situation, so that our officers who conduct inspections would produce reports. Of course, making sure that the circle is complete is always a challenge. That said, the Agency has made a great deal of progress in this area since 2012.

Mr. Robert Aubin: Does the report....

[*English*]

The Chair: Mr. Aubin, I'm sorry, but your time is up.

Go ahead, Mr. Iacono.

[*Translation*]

Mr. Angelo Iacono: Thank you, Madam Chair.

I want to thank the witnesses for joining us this morning.

Under the beyond the border action plan, the Canadian and U.S. governments implemented, in 2013, a pilot project you probably know about.

Are there any significant differences between the two countries in terms of security standards?

Mr. Martin Bolduc: If you want to know whether we are ensuring that security measures are in place to facilitate the movement of goods at the border, I would say that our procedures are very similar. For example, CBSA officers are posted at the targeting centre of our colleagues from the U.S. Customs and Borders Protection in a Washington suburb. Those officers are working with American colleagues to align our targeting.

Of course, there are two different sets of laws. We are talking about sovereign countries. Regarding work procedures, however, you can assume that what is considered high risk by the Canada Border Services Agency is probably considered the same by our U.S. colleagues. So it is very harmonized.

Mr. Angelo Iacono: Would you agree that this type of inspection is thorough?

Mr. Martin Bolduc: Nothing leads me to believe that inspections are not conducted thoroughly.

Mr. Angelo Iacono: What about CETA's arrival? Are there similar measures? For instance, are inspections conducted with as much rigour? This is new, as the agreement with the European Union has just come into force. For the Port of Montreal, for example, what measures have been implemented exactly? The same measures are probably not in place in Vancouver.

Mr. Martin Bolduc: I will try to explain it to you. We're essentially talking about a free trade agreement. That helps reduce tariffs on commercial imports.

When it comes to the audit procedure, a free trade agreement changes nothing. If the CBSA has reasons to believe that a shipment could represent a risk, be it in terms of firearms smuggling or drugs, or that, for instance, fruits and vegetables could carry a health risk, having a free trade agreement does not change the way we conduct inspections. Those are two completely different things.

● (1015)

Mr. Angelo Iacono: It changes nothing, but there is still an increase.

Mr. Martin Bolduc: There is indeed an increase in trade.

Mr. Angelo Iacono: If there is an increase in trade, there is an increase in inspections. Are you prepared for that? Are you able to do it within an appropriate time frame? Given that new markets are opening up and that there will probably be others, are you ready for this?

[*English*]

The Chair: Can I get a short answer to a long question?

[*Translation*]

Mr. Martin Bolduc: Yes. The answer is yes.

[*English*]

The Chair: Yes. Okay. Thank you very much.

Mr. Sikand is next.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): Thank you, Madam Chair.

Thank you for being here this morning.

I represent a riding in Mississauga, so I'm very close to the Pearson airport. Could you please discuss a bit of your footprint there, your operations there, to start?

Mr. Martin Bolduc: We have essentially two large operations at Pearson. In fact, our largest operation is the traveller operation. Pearson International Airport is by far the busiest airport in Canada.

As for the footprint at the airport, we have—not in the main terminal, a little further away—we have our commercial operation activities, which handle all cargo that is imported by aircraft into Canada. There is also a postal centre in the vicinity of Mississauga that, again, handles all international mail that's coming in.

In a nutshell, that's our footprint at Pearson.

Mr. Gagan Sikand: Our committee is going to start a study on the impact of noise and other things on adjacent communities around airports. I'm coming with that angle, but the ramifications of this do relate to trade corridors. I just want to share with my colleagues.

You mentioned there's a 25% increase in air passenger traffic throughout airports. I'm assuming a lot of that is in Pearson. How does the CBSA respond to that?

Mr. Martin Bolduc: To be able to manage the increased volume, we have introduced technology that gives an ability to process more people at once than we used to be able to in a traditional way whereby you would queue up and talk to an officer.

If you have travelled recently, you probably saw our kiosk technology. You go to a kiosk, you essentially complete your customs declaration, scan your passport, and out you go. You do a slight touch with an officer who will look at the sort of ticket you got from the kiosk to be able to confirm that the picture on the receipt is the individual in front of him.

That technology really helped the CBSA manage the increase in volumes. We were able to do that in partnership with airport authorities, which in fact invested in the technology. CBSA provided the specification, but each individual airport invested into the technology.

Mr. Gagan Sikand: Thank you.

I don't often like talking hypotheticals, but hypothetically if there were a Pickering airport, what would the CBSA's response be to another airport within the GTA with such high traffic coming in?

Mr. Martin Bolduc: Well then, we would probably get a request to have resources dedicated to a new airport. That would be assessed and a decision would be made. I know for a fact that at Pearson, the airport authority is very active in trying to attract airlines offering new destinations. We work in partnership with them to have an adequate human resource footprint to be able to respond to those.

The Chair: I'm sorry, Mr. Sikand, but your time is up. We're on a short time frame in this session. Sorry.

Go ahead, Mr. Jeneroux.

Mr. Matt Jeneroux: Thank you, Madam Chair.

Thank you for being here today, everybody.

Mr. Prasad or Mr. Bolduc—if I have it wrong, please just chime in—I think one of your slides speaks about the increase from 2012 to 2017 in air travel—commercial, postal, and courier. It doesn't indicate automobile traffic. Has automobile traffic across the borders also increased? I note that there is another slide that I don't think you got to, Mr. Prasad. It talks about the busiest commercial points of entry. I was just wondering if you could comment on that.

● (1020)

Mr. Martin Bolduc: Commercial trucks have increased at the land border. Vehicles have decreased slightly or have been sort of stable. We have noticed over the years that the traffic is very much influenced by the exchange rate. When the dollar was close to par, there was a lot more traffic.

Mr. Matt Jeneroux: Is the timeline on your slide the same, from 2012 to 2017?

Mr. Martin Bolduc: I would have to confirm. Unfortunately, I don't have....

Mr. Matt Jeneroux: It's recent.

Mr. Martin Bolduc: It is recent, the last fiscal year.

Mr. Matt Jeneroux: Okay, thank you.

The greatest commercial traffic is on the Windsor Ambassador Bridge again. Has that increased on the commercial truck side? Also, do you happen to know if the numbers of automobiles specific to that bridge have increased or decreased?

Mr. Martin Bolduc: If Madam Chair is in agreement, we can follow up and provide you with that specific information, which I don't have.

Mr. Matt Jeneroux: Do you know anecdotally whether it has increased or decreased? Are we seeing more traffic in general on that port of entry, or less traffic than what we would have had five years ago or 10 years ago?

Mr. Martin Bolduc: We see more commercial trucks. As for cars, I would have to get back to you. I don't have that information, unfortunately.

Mr. Matt Jeneroux: Okay. I would expect that to be some information that the department would be very knowledgeable on, only because we have a Windsor Ambassador Bridge that's now increasing in size plus an additional bridge also coming on board. Logic would tell me that it has increased significantly if there are 12 extra lanes—I believe that is the new number—to manage that.

I'm curious to how much it has increased. I kind of get the impression, with what you've alluded to, that the passenger traffic has actually decreased. If commercial traffic has gone up slightly, I guess that's good. It seems that we're building a heck of a lot more lanes for traffic that isn't necessarily going to be there.

Mr. Martin Bolduc: Again, I commit to providing the committee with more detailed statistics.

Do you want to talk on the infrastructure?

Mr. Scott Taymun (Director General, Transformation and Border Infrastructure and Renewal Directorate, Canada Border Services Agency): I'd like to talk a little bit to that.

We would have the volume data going backwards in time. We'd be able to get you that number. Going forward in time, there's the Transport Canada traffic study from 2014, which is projecting forward. We are trying to get a read from Transport Canada regarding what the volume forecast is going to be. We don't have solid data on that volume forecast.

The Chair: Thank you very much.

We'll move on to Mr. Badawey.

Mr. Vance Badawey: Thank you, Madam Chair.

Gentlemen, your president, John Ossowski, just stated at the Detroit conference that a 1% increase in border delay negatively impacts GDP by 1%. Can you give us some comments with respect to what steps CBSA has taken to facilitate cross-border commerce?

Mr. Martin Bolduc: As we mentioned in our opening remarks, leveraging advance information is key. That means having the ability to assess and make a predetermination before the cargo shows up at the border; promoting our trusted trader programs; knowing who the truck company is, who the importer is, and who the truck driver is; and, leveraging technology and having the ability to pick up information through RFID readers.

Instead of having a commercial trucker show up at the border, turn off the engine, provide information to a border services officer, and then start the engine again and be on his way, we're looking at having technology to be able to remotely have the truck essentially slow down, stop, and be on its way. Our initial analysis tells us—don't quote me on the number—that we'll probably be able to shave about 30 seconds off each transaction.

Those things are being considered. We believe that they will expedite cargo at the border.

● (1025)

Mr. Vance Badawey: Exports and imports account for 60% of Canada's GDP, and with that, progressive free trade agreements that we're now working on now, that we've established now.... I'm going to get a bit more specific to my area, because we are, as you know, going on to travel and we're going to hear from a lot of stakeholders. Unlike the member opposite, I feel that to strengthen our international trade performance, we must all be in this together—all members of the House as well as parts of our teams within the departments. We're all in this to ensure that we do in fact get the job done.

Specific to the Peace Bridge, and of course the Niagara region where it belongs with our partners on the opposite side of the border in western New York, they'll be having a lane closure between October 15 and May 15 to complete a $100-million rehab project. Their need is to have CBSA ensure that the lanes are in fact staffed in regard to gridlock, which would negatively impact our GDP and the region within that specific economic cluster. Can CBSA assure me that the Peace Bridge will be adequately resourced during this time so that there are in fact no delays and—once again—GDP is not affected? As your president stated, a 1% increase in border delay negatively impacts the GDP by 1%.

Mr. Martin Bolduc: I saw in your travel itinerary that you will be meeting with local CBSA executives. I can tell you that we are working hand in hand with bridge authorities. Can I give you a guarantee? Nothing is guaranteed in life. Are we making every effort to be able to respond and adequately provide the services that importers expect of us? Yes, we are. I know that there has been planning going on, and we'll adjust as needed, but our objective is to have a minimal impact. I'm sure that you will hear the same from my colleagues when you visit Niagara.

Mr. Vance Badawey: Thank you, gentlemen.

The Chair: Go ahead, Mr. Aubin.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

I have a very simple question. In this study, we want to be able to measure the way to improve our efficiency because that has a direct impact on the economy. According to the World Bank's report titled "Connecting to Compete 2018", Canada has slipped to the 20th rank internationally when it comes to its logistic performance index. I have a two-part question.

Can you talk to me about that index? What does it consist of? What are the measured elements?

Should we be concerned about Canada slipping to the 20th rank?

Mr. Martin Bolduc: I cannot talk to you specifically about that study.

In the logistical chain, the Canada Border Services Agency is one link out of many. What we are trying to focus on is bringing facilities in certain ports together, like my colleague mentioned. It's about working with the industry to ensure adequate infrastructure that enables us to do our job as quickly as possible. Of course, in some locations, we are limited by road infrastructure. In other locations, natural elements limit us.

The CBSA operates in a certain way in the facilities it owns. In other circumstances, that is provided to us under section 6 of the Customs Act. As for bridges and tunnels, their operators must provide us with facilities. That is sort of how we deal with these issues.

● (1030)

Mr. Robert Aubin: Thank you.

[*English*]

The Chair: Thank you to our witnesses. We appreciate the information.

We are going to suspend briefly while the witnesses leave, before we go to our committee business.

[*Proceedings continue in camera*]

Published under the authority of the Speaker of the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: http://www.ourcommons.ca

Publié en conformité de l'autorité du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : http://www.noscommunes.ca